



United States Department of Agriculture
Rural Development
Florida/US Virgin Islands

Disaster Recovery:

Rebuilding Our Rural Communities

USDA

RURAL DEVELOPMENT

RESPONSE TEAM

4440 NW 25th Place, Gainesville, Florida 32606
Phone: (352) 338-3402 • Fax: (352) 338-3405 • TDD: (352) 338-3499 • Web: <http://www.rurdev.usda.gov/fl>

Committed to the future of rural communities.

"USDA is an equal opportunity provider, employer and lender."
To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD).

The following document only applies to qualified Hurricane and Tropical Storm applicants. Some selected programs have been modified and fund adjusted for Rural Development to effectively and efficiently provide disaster relief to those parties in need.

*(A Catalog of **all** Rural Development Programs can be accessed on our Home Page)*

Table of Contents

- I. Utilities and Community Facilities**
- II. Multi Family Housing**
- III. Single Family Housing**
- IV. Rural Business and Cooperative**
- V. Other Relief**
- VI. Contact Information**
- VII. Appendices**
 - a. Program Questions Answered**
 - b. Catalog of Programs**

I. UTILITIES AND COMMUNITY FACILITIES

Rural Utilities Water, Wastewater, and Solid Waste

Funds may be used for construction, land acquisition, legal fees, engineering fees, equipment, initial operation and maintenance costs, project contingencies, and other cost that are determined by Rural Development to be necessary for the completion of the project. Projects must be primarily for the benefit of rural users.

Eligibility: Rural communities, and towns and cities with populations of 10,000 or less per the latest decennial Census are eligible program beneficiaries. To qualify, applicants must be unable to obtain the financing from other sources and/or their own resources at reasonable rates and terms.

Who is Eligible: Public bodies, Special Districts, community based nonprofit corporations and Indian Tribes can be eligible applicants.

Direct Loan Interest Rates

- Market Rate - Available to applicants whose Median Household Income (MHI) for their service area is greater than the non-metropolitan MHI of Florida (\$39,730).
- Intermediate Rate - Available to applicants whose MHI is not more than the non-metropolitan MHI (\$39,730) of Florida and who otherwise do not qualify for the poverty rate.
- When MHI of the service area is below the higher of the poverty line or 80% of the state non-metropolitan median income and the project is necessary to alleviate a health or sanitary problem.
- Poverty Rate - Available to applicants whose MHI is below the latest established nationwide poverty level (MHI) of Florida (ex. 80% of \$31,982 = \$25,585) and there are existing health/sanitation conditions that would be alleviated with the proposed project so as to comply with regulatory agencies' established standards.

Rates are **subject to change quarterly** (January 1, April 1, July 1, and October 1) each year. This document is based on 2004 rates to use as examples. The market rate is based on the performance of the Bond Buyer Index. The poverty rate in 2004 was set at 4.5%. The intermediate rate is set halfway between the poverty and market rates but not to exceed 7%. Rates are fixed and the maximum rate is established at the time the loan is approved. If rates drop by the time the loan is closed, the applicant is afforded the opportunity to receive the lower rate

Guaranteed Loan & Interest Rates: Rates are negotiated between the lender and applicant and must be determined by Rural Development to be reasonable. Interest rates may be fixed or variable.

Repayment Terms: Up to 40 years for both direct and guaranteed loans based on the applicant's authority and the useful life expectancy of the system.

Security Guaranteed and Direct Loans:

- Public Bodies - Revenue Bonds, General Obligation Bonds, Special Assessment Bonds. Obligations that secure a guaranteed loan must be taxable.
- Non-Profit Corporations - Promissory Notes, Real Estate Mortgages, Financing Statements, Security Agreements.

Maximum Amounts - Direct loans may be obtained for 100 percent of eligible project costs subject to adequate security, ability to repay, applicant's authority to borrow and availability of funds.

Guaranteed Loans - Same as for direct loans as determined by the private lender and approved by RUS. However, the Rural Development guarantee cannot exceed 90% of the loan, with the norm being 80%.

Grants - Grants are used to supplement direct loans for the purpose of reducing user charge for the facility to a reasonable level when compared to similar systems in size and with similar economic and income conditions.

Maximum Grants - Up to 75% of eligible project costs for applicants whose MHI is below the latest established nationwide poverty level (\$19,350) or below 80% of the non-metropolitan MHI of Florida (80% of \$39,730) and the project is needed to correct health and sanitation problems.

Up to 45% of eligible project costs for applicants who do not qualify for the 75% category and their MHI is not greater than the non-metropolitan MHI of Florida. Applicants with MHI in excess of the above criteria would qualify for no grant consideration.

The actual amount of grant funds awarded to the applicant will be determined based on the grant dollars required to reduce the user rates for users to a reasonable level up to the maximum amount of 45% or 75%

Grant funds cannot be used to pay project costs related to interest, refinancing, purchase of existing systems, and initial operation and maintenance.

Community Facilities Guaranteed and Direct Loans

Funds can be used for construction, land acquisition, legal fees, architect fees, capitalized interest, equipment, initial operation and maintenance costs, project contingencies, and any other cost that is determined by Rural Development to be necessary for the completion of the project.

Eligibility: Public bodies, nonprofit corporations, Special Districts, and federally recognized Indian Tribes are eligible to apply. Projects must be located in rural areas or small incorporated towns and cities not larger than **20,000 population** based on the latest decennial Census of the United States. To qualify applicants must be unable to obtain the financing from other credit sources at reasonable rates and terms.

Examples of Essential Facilities: Cultural & Educational all Purpose Buildings, Colleges, Libraries, Museums, Nursery and Adult Care facilities, Public Schools, Open Air Theaters, Fire Trucks, Jails, Mobile Communications Centers, Police Stations, Rescue & Ambulance Services, Clinics, Hospitals, Rehabilitation Centers, Agricultural Fairgrounds, Parking Lots, Animal Shelters, Bridges-Roads, Cemeteries, etc. Recreational Facilities may receive Guaranteed Loans only.

Interest Rates: Guaranteed Loans - As negotiated by the lender and applicant and determined by RHS to be reasonable. May be fixed or variable rate.

Direct Loans:

Market Rate - Available to applicants whose project service area income is greater than the State non-metropolitan income (NMHI). \$31,982 for Florida in 2004. Subject to change.

- Intermediate Rate - Available to applicants whose project service area income is not more than the State NMHI and who otherwise do not qualify for the poverty rate.

- **Poverty Rate** - Available to applicants whose project service area income is below the latest established nationwide poverty level or (whichever is higher) below 80 percent of the State NMHI and there are existing health/sanitation conditions that would be alleviated with the proposed project so as to comply with regulatory agencies' established standards. The health/sanitation provisions do not apply to health care and related facilities that provide direct health care to the public.

Rates are subject to change quarterly (January 1, April 1, July 1, and October 1). The market rate is based on the performance of the Bond Buyer Index. The intermediate rate is set halfway between the poverty and market rates but will not to exceed 7 percent. Rates are fixed and the maximum rate is established at the time the loan is approved. If rates drop by the time the loan is closed, the applicant is afforded the opportunity to receive the lower rate.

Current Rates: (subject to change – these are 9/2004 examples)

Poverty.....4.500%
Intermediate.....4.750%
Market.....5.000%

Repayment Term:

Up to 40 years for both direct and guaranteed loans based on applicant's legal authority, type of security offered, and the expected useful life of the facility.

Security -- Guaranteed and Direct Loans:

Public Bodies - Revenue Bonds, General Obligation Bonds, Special Assessment Bonds. Guaranteed loans may not be secured by tax-exempt obligations. Non-Profit Corporations - Promissory Notes, Real Estate Mortgages, Financing Statements, Security Agreements.

Maximum Loan Amounts:

Direct Loans - may be obtained for 100 percent of eligible project costs subject to adequate security, ability to repay, applicant's authority to borrow, and availability of funds.

Guaranteed loans - same as for direct loans as determined by private lender and approved by us. Guarantees are usually 80 percent of the loan amount, however, a 90 percent guarantee may be authorized under special circumstances.

Community Facilities Grants

These grants are used to assist low income rural areas and towns in developing essential public community facilities.

Eligibility: Associations, nonprofit corporations, public bodies, and federally recognized Indian Tribes serving rural areas. Applicants must:

- Be unable to obtain needed funds from commercial sources at reasonable rates and terms.
- Have the legal authority necessary for construction, operation, and maintenance of the proposed facility.
- Propose facilities that are necessary for orderly community development and consistent with the State's USDA, Rural Development, strategic plan;
- Be located in a rural community having a population of **20,000 or less**; and
- Serve areas where the median household income (MHI) of the population to be served by the proposed facility is below the higher of the poverty line or 80 percent of the State non-metropolitan median household income (NMMHI).

USE: Grant funds may be used to supplement financial assistance authorized in Rural Development Instruction (RD) 1942-A, "Community Facility Loan", RD Instruction 1942-C, "Fire and Rescue Loans." Funding for the balance of the project may consist of other CF financial assistance (direct or guaranteed loans), applicant contribution, or loans or grants from other sources. *Limited to the minimum amount necessary to provide for economic feasibility.

FUNDING PRIORITIES: Projects will be selected based on a priority point system. Projects that will receive priority are those that:

- Serve small communities with the highest priority going to those with a population of 5,000 or less.
- Serve very low income communities with the highest priority going to communities with a median household income below the higher of the poverty line or 60 percent of the non-metropolitan median household income; and
- Provide health care, public safety services identified as necessary in the State Strategic Plan.

LIMITATIONS: Grant funds cannot be used to:

1. Pay any annual recurring costs, including purchases or rental that are generally considered to be operating and maintenance expenses;
2. Construct or repair electric generating plants, electric transmission lines, or gas distribution lines to provide services for commercial sale;
3. Refinance existing indebtedness, pay interest, or loan/grant finder's fees;
4. Pay any costs of a project where the median household income of the population to be served by the proposed facility is above the higher of the poverty line or 80 percent of the State non-metropolitan median household income;
5. Pay project costs when other loan funding for the project is not equal to, or less than, the current intermediate interest rate for CF loans;
6. Pay costs to construct facilities to be used for commercial rental where the applicant has no control over tenants and services offered;
7. Construct facilities primarily for the purpose of housing State, Federal, or quasi-Federal agencies;
8. Finance facilities which are modest in size, design, and cost; and Finance recreation facilities or community antenna television services or facilities.

II. MULTI FAMILY HOUSING

SECTION 514 FARM LABOR HOUSING LOAN & SECTION 516 FARM LABOR HOUSING GRANT PROGRAM

Provides loans and grants for rental housing in rural areas for domestic farm laborers.

Eligibility: Farm labor housing loans can be made to an individual farm owner, family farm partnership, family farm corporation, an association of farmers, State and local public agencies, broad-based public or private profit and non-profit organizations.

Use: The program has two basic components: one is a "loan only" to farmers for "On-Farm" housing on a non-rental basis; the other is a "loan or a combination loan/grant" for "Off-farm" housing on a rental basis for the local agricultural market. Loans are primarily made to build, buy, improve, or purchase apartment-style housing usually consisting of garden-type duplexes or townhouses, or similar multi-unit dwellings.

The housing must be modest in size, design, and cost providing decent, safe, and sanitary living units adequate to meet the tenant's need.

HOUSING PRESERVATION GRANTS

Eligibility: Applicants for this grant program must be a public body or a non-profit corporation. Indian tribes with the legal, administrative and technical capacity to carry out the objectives of

the program may also apply. All applicant entities must have experience in providing the housing assistance that is the objective of this program.

Use: The Housing Preservation Grant program is designed to provide assistance to low and very-low income homeowners and owners of single or multiple unit rental properties. The funds are used for the repair of homes, removal of safety hazards, or to provide accessibility features for handicapped persons.

III. SINGLE FAMILY HOUSING

502 DIRECT LOAN - SINGLE FAMILY HOUSING

Primarily used to help very low and low-income individuals or households purchase homes in rural areas.

Use: Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facility.

Eligibility: Applicants must have very low or low incomes however they must be able to afford the mortgage payments including principal, interest, taxes and insurance. Applicants must be unable to obtain credit elsewhere yet have reasonable credit histories.

502 GUARANTEED LOAN-SINGLE FAMILY HOUSING

Primarily used to help low and moderate-income individuals or households purchase homes in rural areas.

Use: Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

Eligibility. Applicants must have an income of up to 115% of the median income for the area. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. Applicants must have reasonable credit histories.

Contact your local Rural Development office to obtain information on local, state and nationally approved lenders such as Chase Manhattan Mortgage Corp, Allied Mortgage Capital Corporation, Countrywide Homes Loans, Capital City Bank, First Federal Savings Bank of Lake County, Harbor Federal Savings and Loan, SunTrust Bank and Florida First Bank, etc.

504 LOANS FINANCIAL ASSISTANCE RURAL HOUSING REPAIR AND REHABILITATION

Provide loans to very low income homeowners to repair, improve or modernize their dwelling or to remove health and safety hazards.

Eligibility: Applicants must have very low incomes and be unable to get credit elsewhere.
Funding: \$20,000 Maximum

504 GRANTS FINANCIAL ASSISTANCE RURAL HOUSING REPAIR AND REHABILITATION

Provides grants to very low income homeowners to repair, improve or modernize their dwelling or to remove health and safety hazards.

Eligibility: Applicants must have very low incomes and be 62 years or older. Applicants must be unable to repay a 504 Loan. SFH 504 loan and grant may be combined.

Funding: \$7,500 Maximum

IV. RURAL BUSINESS AND COOPERATIVE

RURAL BUSINESS ENTERPRISE GRANTS

Used to support the development of small emerging private business enterprises in rural areas.

Eligibility: Rural areas include all territory of the state that is not within the outer boundary of any city having a population of **50,000** or more and its immediately adjacent urbanized and urbanizing areas with a population density of more than one hundred persons per square mile. Small and emerging private businesses would generally be ones that will employ 50 or less new employees and have less than \$1,000,000 in projected gross revenues.

Applicants: Public bodies and private nonprofit corporations.

Use: These grant funds may be used to finance and develop small and emerging private business enterprises in rural areas including but not limited to the following:

- Acquisition and development of land, easements, and rights-of-way.
- Construction, conversion, enlargement, repairs or modernization of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities, pollution control and abatement facilities.
- Loans for start-up operating cost and working capital.
- Technical assistance for proposed grantee projects.
- Reasonable fees and charges for professional services necessary for the planning and development for the project including packaging.
- Services must be provided by individuals licensed in accordance with appropriate state accreditation associations.

If the grant funds are to be used to provide financial assistance to third parties either through **revolving loans or lease of facilities** by grantee; at least 51 percent of the outstanding interest in the project must have membership or be owned by those who are either citizens of the United States or reside in the United States after having been legally admitted for permanent residence.

RURAL BUSINESS OPPORTUNITY GRANTS

Used to promote sustainable economic development in rural communities with exceptional needs.

Eligibility: Rural areas include all territory of the state that is not within the outer boundary of any city having a population of 50,000 or more. Organizations must provide for economic development planning, technical assistance or training.

Applicant: These grants can be made to a public body, nonprofit corporation, Indian tribe or cooperative with members that are primarily rural residents. The applicant must have sufficient

expertise in the activities they propose to carry out with the grant funds and financial strength to ensure they can accomplish the objectives of the proposed grant.

Use: Grant funds may be used to pay costs of providing economic planning for rural communities, technical assistance for rural businesses or training for rural entrepreneurs or economic development officials.

The applicant must be able to show that the funding will result in economic development of a rural area. The application must include a basis for determining the success or failure of the project and assessing its impact.

V. Other Relief

Federal –

FEMA (Federal Emergency Management Agency)

1-800-621-FEMA (3362) 1-800-462-7585 (TTY)

Stricken residents and local governments in Declared Disaster Areas are eligible to apply for federal assistance that can include grants and loans.

- **Individual Assistance Program:** *Assistance to individuals and households.* Support includes help pay for temporary housing, home repairs and other serious disaster-related expenses.
- **Public Assistance Program:** *Assistance to State and local governments for the repair or replacement of disaster-damaged public facilities.* **Disaster Aid to Repair, Replace, or Supplement Parts of a Community's Infrastructure.** Designed to give assistance to respond to disasters, to recover from their impact and to mitigate impact from future disasters. Grants can be used for debris removal and emergency protective measures and other direct Federal assistance.
- **Hazard Mitigation Grant Program:** *Assistance to State and local governments for actions taken to prevent or reduce long term risk to life and property from natural hazards.* All counties in the State of Florida are eligible to apply for assistance under the Hazard Mitigation Grant Program.

SBA (U. S. SMALL BUSINESS ADMINISTRATION)

1-800-359-2227 www.sba.gov

Low-interest loans from the U.S. Small Business Administration are available to cover residential and businesses losses not fully compensated by insurance affected by Nationally Declared Disasters

Types of Disaster Loans:

- **Home Disaster Loans.** Loans to homeowners or renters to repair or replace disaster damages to real estate or personal property owned by the victim. Renters are eligible for their personal property losses.
- **Business Physical Disaster Loans.** Loans to businesses to repair or replace disaster damages to property owned by the business, including real estate, machinery and equipment, inventory and supplies. Businesses of any size are eligible. Non-profit organizations such as charities, churches, private universities, etc. are also eligible.

- Economic Injury Disaster Loans (EIDL). Loans for working capital to small businesses and small agricultural cooperatives to assist them through the disaster recovery period. EIDL assistance is available only to applicants with no Credit Available Elsewhere - if the business and its owners cannot provide for their own recovery from non-government sources.

State –

Hotlines

- State of Florida Emergency Information 24-hour hotline (FEIL): 1-800-342-3557
- State Volunteer and Donations Hotline: 1-800-FL-HELP1 (1-800-354-3571)
- Elder Affairs: 1-800-96-ELDER (1-800-963-5337)
- Florida Power and Light: 1-800-4-OUTAGE (1-800-468-8243)
- Department of Financial Services Insurance Claim Hotline: 1-800-22-STORM (1-800-227-8676)
- Attorney General's Price Gouging Hotline: 1-800-646-0444
- Agricultural and Consumer Services Price Gouging Hotline: 1-800-HELP-FLA (1-800-435-7352)
- [Agency for Workforce Innovation Unemployment Claims](#) Emergency Internet Site or Call 1-800-204-2418
- Volunteer Florida. <http://www.disasterhelp.net/vflorida/>

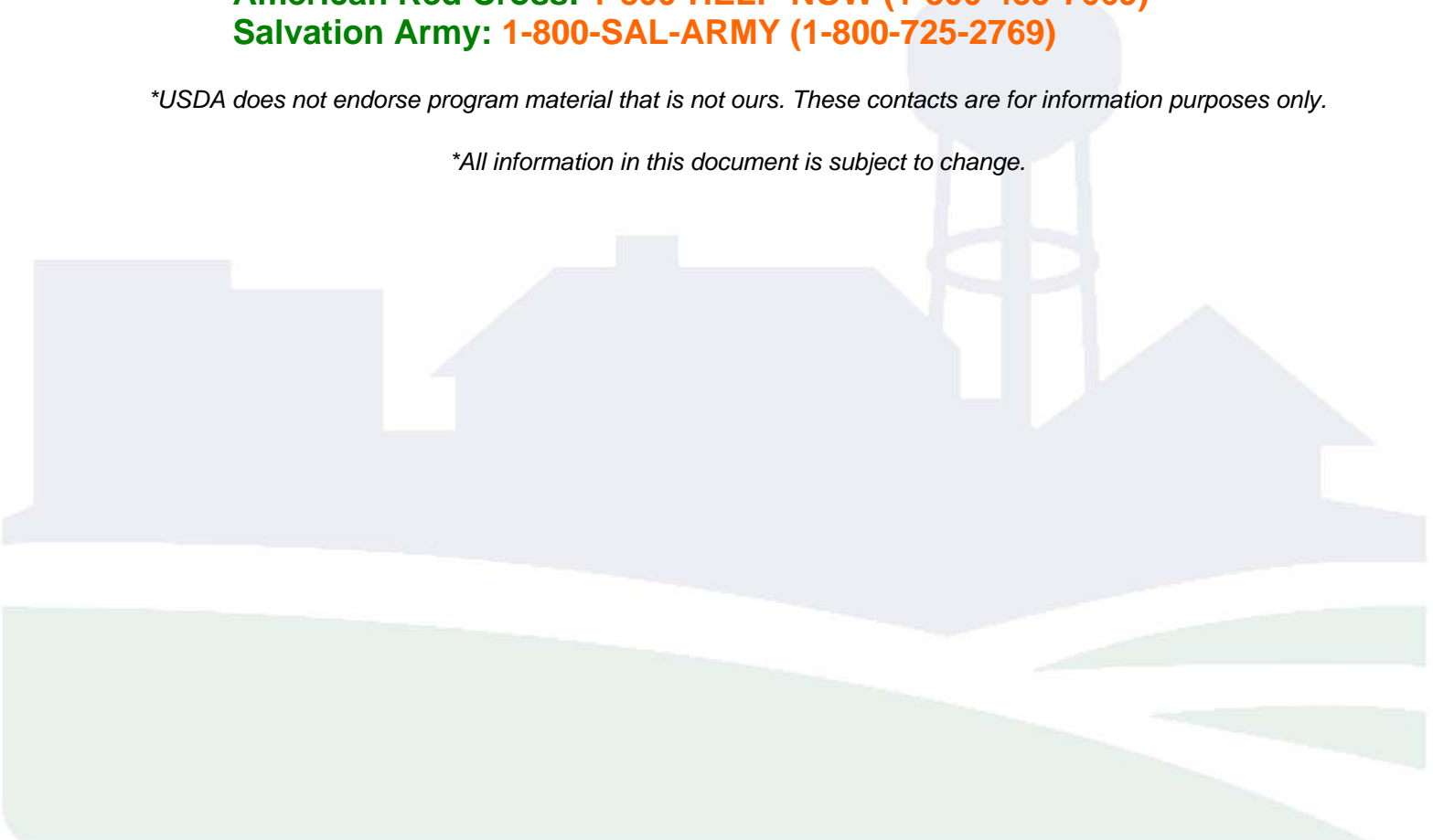
Private –

American Red Cross: 1-800-HELP-NOW (1-800-435-7669)

Salvation Army: 1-800-SAL-ARMY (1-800-725-2769)

**USDA does not endorse program material that is not ours. These contacts are for information purposes only.*

**All information in this document is subject to change.*



VI. Rural Development Contact Information

a. Area Offices - For all Utilities, Multi Family Housing, and Rural Business and Cooperative Support contact:

CRESTVIEW AREA OFFICE

932 N. Ferdon Blvd., Suite B

Crestview, Florida 32536

Telephone: (850) 682-2416

Counties Served: Bay, Escambia, Holmes, Okaloosa, Santa Rosa, Walton and Washington

MARIANNA AREA OFFICE

2741 Pennsylvania Avenue, Suite 5

Marianna, Florida 32448

Telephone: (850) 526-2610

Counties Served: Calhoun, Columbia, Franklin, Gadsden, Gulf, Hamilton, Jackson, Jefferson, Lafayette, Leon, Liberty, Madison, Suwannee, Taylor and Wakulla

OCALA AREA OFFICE

2303 N.E. Jacksonville Road, Suite 400

Ocala, Florida 34470

Telephone: (352) 732-7534

Counties Served: Alachua, Baker, Bradford, Citrus, Clay, Dixie, Duval, Flagler, Gilchrist, Levy, Marion, Nassau, Putnam, Seminole, St. Johns, Union and Volusia

TAVARES AREA OFFICE

1729 David Walker Road

Tavares, Florida 32778

Telephone: (352) 742-7005

Counties Served: Brevard, DeSoto, Hardee, Hernando, Hillsborough, Lake, Manatee, Orange, Osceola, Pasco, Pinellas, Polk and Sumter. Also serves St. Croix, St. Thomas & St. John, Virgin Islands

WEST PALM BEACH AREA OFFICE

750 S. Military Trail, Suite J

West Palm Beach, Florida 33415

Phone: (561) 683-2285

Counties Served: Broward, Charlotte, Collier, Dade, Glades, Hendry, Highlands, Indian River, Lee, Martin, Monroe, Okeechobee, Palm Beach, Sarasota and St. Lucie

b. Local Offices - For all Single Family Housing Support contact:

BALDWIN

260 U.S. 301 North

Baldwin, Florida 32234

Telephone: (904) 266-0088

Counties Served: Baker, Bradford, Clay, Duval, Nassau, St. Johns and Union

**BARTOW**

1700 Hwy. 17 S., Suite 3
Bartow, Florida 33830-6633
Telephone: (863) 533-2051

Counties Served: Desoto, Hardee and Polk

**CHIPLEY**

1424 Jackson Ave., Suite B
Chipley, Florida 32428
Telephone: (850) 638-1982

Counties Served: Bay, Holmes and Washington

**DEFUNIAK SPRINGS**

239 John Baldwin Road, Suite C
DeFuniak Springs, Florida 32433
Telephone: (850) 892-3712

Counties Served: Okaloosa and Walton

**DELAND**

1342-A South Woodland Blvd.
DeLand, Florida 32720
Phone: (386) 734-2535

Counties Served: Flagler, Putnam, Seminole and Volusia

**LIVE OAK**

10094 US 129 South
Live Oak, Florida 32060
Phone: (386) 362-2681

Counties Served: Columbia, Hamilton, Jefferson, Lafayette, Madison, Suwannee and Taylor

**MARIANNA**

2741 Pennsylvania Avenue, Suite 7
Marianna, Florida 32448-4014
Telephone: (850) 526-2610

Counties Served: Calhoun, Gulf, Jackson and Liberty

**MILTON**

USDA, AGRI Center
6275 Dogwood Drive
Milton, Florida 32570
Phone: (850) 623-2441

Counties Served: Escambia and Santa Rosa

**N. FORT MYERS**

3434 Hancock Bridge Pkwy., Suite 209-A
N. Ft. Myers, Florida 33903-7005
Telephone: (239) 997-7331

Counties Served: Charlotte, Collier, Hendry, Lee and Sarasota

**Ocala**

2303 N.E. Jacksonville Road, Ste. 300

Ocala, Florida 34470

Telephone: (352) 732-9840

Counties Served: Alachua, Citrus, Dixie, Gilchrist, Levy and Marion

**Okeechobee**

454 N.W. Hwy. 98

Okeechobee, Florida 34972

Phone: (863) 763-3345

Counties Served: Glades, Highlands and Okeechobee

**Plant City**

201 S. Collins Street, Second Floor

Plant City, Florida 33566

Phone: (813) 752-1474

Counties Served: Hillsborough, Manatee, Pinellas and Pasco

**Quincy**

2138 W. Jefferson St.

Quincy, Florida 32351

Phone: (850) 627-6365

Counties Served: Franklin, Gadsden, Leon and Wakulla

**St. Croix, VI**

5030 Anchorway, Suite 4

Gallows Bay

St. Croix, Virgin Islands 00820

Phone: (340) 773-9146

Locations Served: St. Croix, St. John & St. Thomas, VI

**Tavares**

1725 David Walker Dr.

Tavares, Florida 32778

Telephone: (352) 742-7005

Counties Served: Brevard, Hernando, Lake, Orange, Osceola and Sumter

**West Palm Beach**

750 S. Military Trail, Suite H

West Palm Beach, Florida 33415

Telephone: (561) 683-2285

Counties Served: Broward, Dade, Indian River, Martin, Monroe, Palm Beach and St. Lucie

c. State Office: For statewide initiatives and other community support, contact:

Address: 4440 NW 25th Place, Gainesville, Florida 32606

Phone: (352) 338-3402 • Fax: (352) 338-3405 • TDD: (352) 338-3499

■ **State Director**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3402

Fax: (352) 338-3405

■ **Single Family Housing**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3436

Fax: (352) 338-3437

■ **Multi-Family Housing**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3465

Fax: (352) 338-3437

■ **Community Programs**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3440

Fax: (352) 338-3485

■ **Rural Business-Cooperative Programs**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3482

Fax: (352) 338-3450

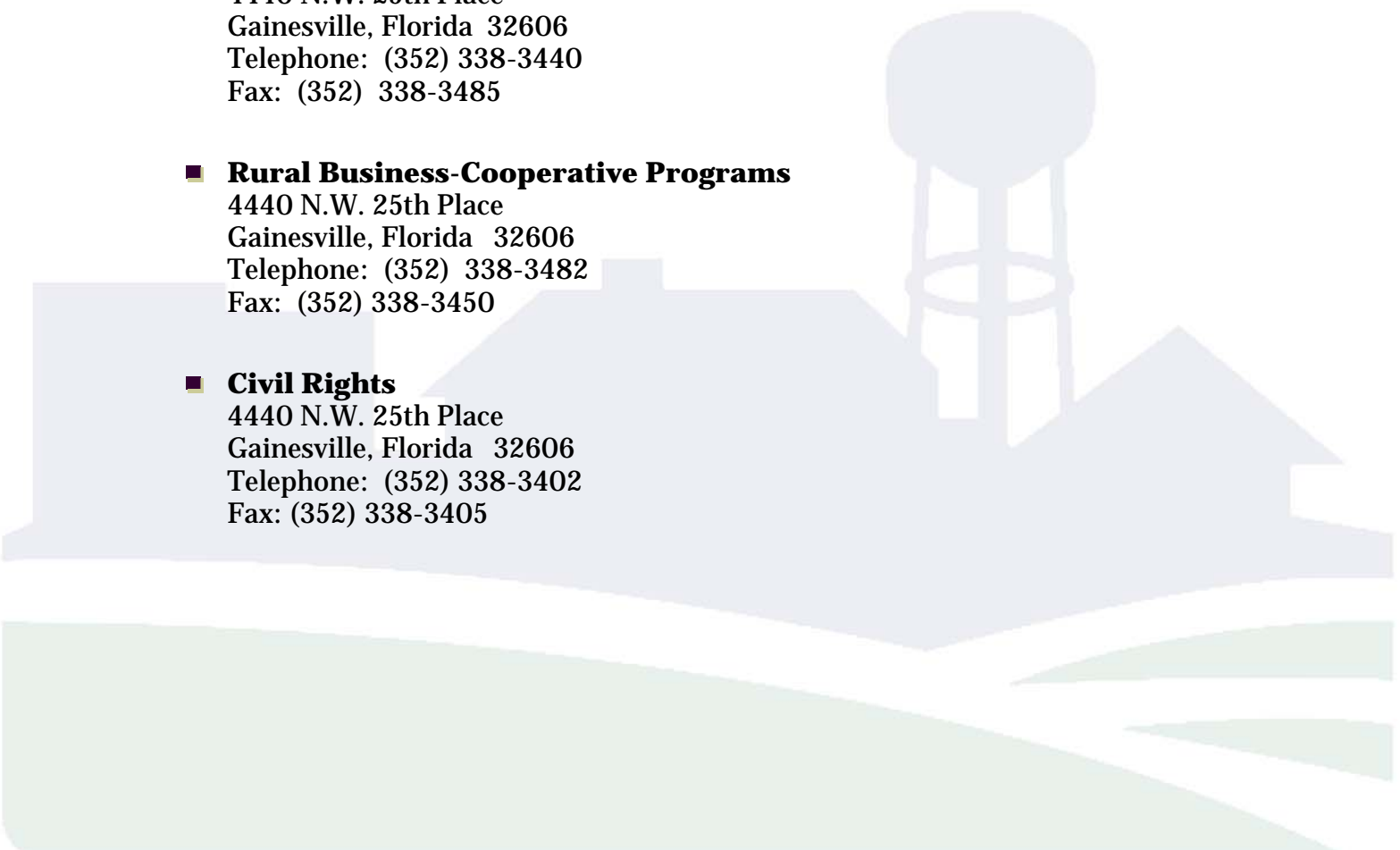
■ **Civil Rights**

4440 N.W. 25th Place

Gainesville, Florida 32606

Telephone: (352) 338-3402

Fax: (352) 338-3405



VII. Appendices

Appendix a: Program Questions Answered

Utilities and Community Facilities

COMMUNITY FACILITIES GRANT PROGRAM

Q. What is the purpose of the program?

A. Provide grant funding to assist low income communities in developing, improving or repairing essential public facilities.

Q. Who is eligible?

A. Nonprofit corporations, public bodies (cities, towns, counties, districts), and federally recognized Indian Tribes. Projects must be located in and serve rural areas or small incorporated towns and cities not larger than 20,000 population based on the latest decennial Census. Eligible applicants must have the legal authority necessary to construct, operate, and maintain the proposed facility.

Q. Are there special provisions for disaster repair/reconstruction applications?

A. The Rural Development State Director has the authority to give priority funding consideration to applications that fund disaster recovery projects.

Q. How may funds be used?

A. Grant funds may be used to fund eligible costs associated with the project. This can include disaster recovery and future disaster mitigation repairs and improvements.

Q. How is the amount of authorized granting funding for a project determined?

A. Grant funds are made available on a sliding scale ranging from up to 15% of eligible project costs to 75% of eligible project costs. The lowest income smaller communities qualify for the highest percentage of grant.

Q. Is there a “financial need test” relating to grant eligibility?

A. Yes, grant funds may not be made available in an amount greater than what is necessary for project financial viability and that the applicant lacks the capacity to fund from its own resources.

Q. Are there other limitations on the use of the grant funds?

A. Funds may not be used for:

- Paying any annual recurring costs, including purchases or rentals that are generally considered to be operating and maintenance expenses;
- Construction or repair of electric generating plants, electric transmission lines, or gas distribution lines;
- To provide services for commercial sale;
- Refinance existing indebtedness, pay interest, or loan/grant finder's fees;

- Pay any costs of a project where the median household income of the population to be served by the proposed facility is above the higher of the poverty line or 80 percent of the State non-metropolitan median household income.

Q. Are certain types of projects given priority for funding consideration?

A. Yes. Projects are selected based on a priority point system. Projects that will receive priority are those that:

- Serve small communities with the highest priority going to those with a population of 5,000 or less.
- Serve very low income communities with the highest priority going to communities with a median household income below the higher of the poverty line or 60 percent of the non-metropolitan median household income; and
- Provide health care or public safety services or other services that are identified as agency priorities.
- Projects that fund designated disaster recovery repairs and improvements.

COMMUNITY FACILITIES DIRECT LOAN PROGRAM

Q. What is the purpose of the program?

A. To finance the improvement, development or repair of public facilities that provide essential services to rural residents.

Q. Are there special provisions for disaster repair/reconstruction applications?

A. The Rural Development State Director has the authority to give priority funding consideration to applications that fund disaster recovery projects.

Q. What types of facilities can be financed?

A. Any facility that is open to the public and provides an essential service to an eligible rural community. Examples include medical clinics, hospitals, fire stations, libraries, city halls, jails, etc.

Q. Who may be considered an eligible applicant?

A. Public bodies, nonprofit corporations and federally recognized Indian Tribes are eligible to apply. Projects must be located in and serve rural areas or small incorporated towns and cities not larger than 20,000 population based on the latest decennial Census of the United States. To qualify, all applicants must be unable to obtain the needed financing from other credit sources at reasonable rates and terms and/or from their own resources.

Q. How may the funds be used?

A. Funds can be used for construction, land acquisition, legal fees, architect fees, capitalized interest, equipment, initial operation and maintenance costs, project contingencies, and any other cost that is determined by Rural Development to be necessary for the completion of the project. This may include disaster recovery and future disaster mitigation repairs and improvements.

Q. What will the interest rate be?

A. The rate will be determined at loan approval and will be based on the median household income of the community served by the facility and the type of services being provided. The current rates range from 4.5% to 5.0%. Rates are fixed, not variable.

Q. What repayment terms are allowed?

A. Up to 40 years based on the applicant's legal authority, type of security offered, and the expected useful life of the facility.

Q. How will the loan be secured?

A. Usually Public Bodies secure loans with Revenue Bonds, General Obligation Bonds, or Special Assessment Bonds. Loans to Non-Profit Corporations are typically secured with a Promissory Notes, Real Estate Mortgages, Financing Statements, and Security Agreements.

Q. What percentage of project costs can be borrowed?

A. Loans may be made for 100 percent of eligible project costs subject to adequate security, ability to repay, applicant's authority to borrow, and availability of funds.

Q. How is the loan application process started?

A. Eligibility of an applicant can be determined by filing a pre-application package with the agency. Eligible applicants will be invited to file a complete application. USDA Rural Development personnel will directly assist the applicant in the preparation of the complete application.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM

Q. Does Rural Development have any utility system funding programs specifically to assist rural communities recover from natural disasters such as hurricanes?

A. Yes, the Emergency Community Water Assistance Grant program.

Q. What does this program provide?

A. Grant assistance to rural communities that have had a significant decline in quantity or quality of drinking water due to an emergency event.

Q. What is considered an "emergency event"?

A. Occurrence of an incident such as a hurricane, earthquake, flood, tornado, drought, etc.

Q. What is an eligible rural community?

A. Unincorporated rural areas, and towns and cities with populations of 10,000 or less per the 2000 Census are eligible program beneficiaries.

Q. Who is eligible to apply?

A. Public bodies, community based nonprofit corporations and Indian Tribes, can be eligible applicants. To qualify, applicants must be unable to obtain the financing from commercial sources at reasonable rates and terms and/or their own resources.

Q. How is the amount of grant funding determined?

A. Grants may be made for 100 percent of eligible project costs. The maximum grant is \$500,000 when a significant decline in quantity or quality of water occurred within 2 years, or \$150,000 to make emergency repairs and replacement of facilities on existing systems.

Q. Can facilities other than public water systems be improved repaired with these funds if they are related to the functioning of a water system?

A. No. Funds may only be made for direct repairs/improvements to eligible water systems.

WATER AND WASTE DISPOSAL LOAN & GRANT PROGRAM

Q. What is the purpose of the program?

A. Provide loans and grants for the development or improvement of central water, wastewater, storm water and solid waste disposal systems that serve eligible rural communities.

Q. Are there special provisions for disaster repair/reconstruction applications?

A. The Rural Development State Director has the authority to give priority funding consideration to applications that fund disaster recovery projects.

Q. What is an eligible rural community?

A. Unincorporated rural areas, and towns and cities with populations of 10,000 or less per the 2000 Census are eligible program beneficiaries.

Q. Who is eligible to apply?

A. Public bodies, community based nonprofit corporations and Indian Tribes, can be eligible applicants. To qualify, applicants must be unable to obtain the financing from commercial sources at reasonable rates and terms and/or from their own resources.

Q. What may the funds be used for?

A. Funds may be used for construction, land acquisition, legal fees, engineering fees, equipment, project contingencies, and other cost that are determined by Rural Development to be necessary for the completion of the project. Projects must be primarily for the benefit of rural users. This may include disaster recovery and future disaster mitigation repairs and improvements.

Q. What will the interest rate be?

A. The rate will be determined at loan approval and will be based on the median household income of the community served by the facility and the type of services being provided. The current rates range from 4.5% to 5.0%.

Q. What repayment terms are allowed?

A. Up to 40 years based on the applicant's legal authority, type of security offered, and the expected useful life of the facility.

Q. How are loans secured?

A. Usually Public Bodies secure loans with Revenue Bonds, General Obligation Bonds, or Special Assessment Bonds. Loans to Non-Profit Corporations are typically secured with Promissory Notes, Real Estate Mortgages, Financing Statements, and Security Agreements.

Q. What percentage of project costs can be received?

A. Loans may be made for 100 percent of eligible project costs subject to adequate security, ability to repay, applicant's authority to borrow, and availability of funds.

Q. How is the amount of grant funding determined?

A. Grants are used to supplement loan funding for the purpose of reducing user charges for the facility to a reasonable level when compared to comparable systems and similar size communities with similar economic and income conditions. Statutory maximum grant eligibility is determined by evaluating the median household income of the facility's service area and whether the project is necessitated by the need to correct health and sanitation issues.

Multi Family Housing

Q. If a tenant is displaced from a Rural Development financed apartment complex due to damage from a disaster, what assistance is available to them?

A. The tenant should contact the management agent of their complex as soon as possible. A Letter of Priority Entitlement (LOPE) will be given to the tenant. This letter entitles a displaced tenant to be placed at the top of all waiting lists in other Rural Development financed complexes. If the tenant is receiving rental assistance (where the rent amount is based on the tenant's income) and is forced to move to another Rural Development apartment complex, that rental assistance will be available to them at the new complex. Once the damaged apartment complex is repaired and habitable (regardless of the length of time involved in repairs) the displaced tenant is required to move back into their old complex if they wish to retain their rental assistance.

Q. Housing in my community was severely impacted by the hurricane, especially farm worker housing. Is there any assistance from Rural Development for farm worker housing? What about the need for rental units for non-farm workers?

A. Temporary shelter needs should be directed to FEMA. Rural Development has a program to provide funding for farm worker housing complexes in rural areas. We have requested additional funding from our National Office to construct new farm worker housing complexes in areas where non-government farm worker housing was impacted the hardest. Rural Development also has a similar program for apartment complexes designated as family or elderly. For additional information concerning these programs, please contact the Rural Development Area Office which serves your community.

Q. Is there any other assistance available from the Rural Development Multi-Family Housing program?

A. Rural Development also administers the Housing Preservation Grant program. This program provides grant funds to non-profit corporations or public bodies who assist very low and low income homeowners or owners of single or multiple unit rental properties. The funds must be used to assist in repairs, removal of safety hazards, or can be used to provide accessibility for handicapped persons (the applicant must have experience in providing these types of services). For additional information concerning these programs, please contact the Rural Development Area Office which serves your community.

Single Family Housing

LOAN PROCESSING FOR SUPPLEMENTAL FUNDING DIRECT SECTION 502 AND 504 NATURAL DISASTER LOAN AND GRANTS

Q. What is supplemental funding?

A. Supplemental funding is periodically appropriated through Congress to assist families whose primary residence was damaged or destroyed as direct result of a natural disaster. Natural Disaster Loans and Grants are available in counties designated by the President as disaster areas to assist families who's USDA, Rural Development –financed homes were damaged or destroyed. Disaster victims who are not USDA, Rural Development borrowers should contact the Federal Emergency Management Agency and Small Business Administration. They are both lead agencies that provide direct assistance to disaster victims. To qualify for supplemental funding from Rural Development, the following conditions must be met:

1. Provide evidence primary dwelling is located in the affected area of a natural disaster and designated through a Presidential Declaration;
2. Provide evidence to USDA, Rural Development physical damage to primary dwelling was a direct result of the natural disaster;
3. Provide evidence FEMA, SBA and other agencies funds have been exhausted before being determined eligible for Rural Development supplemental funding; and
4. Applicants must meet all the eligibility requirements for the Single Family Housing program.

It is not permissible to extend supplemental funds to an applicant simply because they're seeking housing in the designated area.

Q. What are Rural Housing Direct loans?

A. Rural Housing Direct Loans are loans that are directly funded by the Government. These loans are available for low- and very low-income households to obtain homeownership.

Q. How much supplemental funding has been approved for Section 502 program?

A. A total of \$20 million has been approved for our supplemental funding for the Section 502 program from the FY 05 appropriation, which is in addition to normal state allocation of \$23 million annually.

Q. What is the purpose of the Single Family Housing Program?

A. Loans are primarily used to help low-income individuals or households purchase homes in rural areas. Funds can be used to build, repair, renovate or relocate a home, or to purchase and prepare sites, including providing water and sewage facilities.

Q. What are our eligibility requirements?

A. Applicants for direct loans from Rural Housing must have very low or low incomes. Very low income is defined as below 50 percent of the area median income (AMI); low income is between 50 and 80 percent of AMI; moderate income is 80 to 100 percent of AMI. Families must be without adequate housing, but be able to afford the mortgage payments, including taxes and insurance. In addition, applicants must be unable to obtain credit elsewhere, yet have reasonable credit histories. Elderly and disabled persons applying for the program may have incomes up to 80 percent of area median income (AMI).

Q. What are our loan terms?

A. Loans are for up to 33 years. The promissory note interest rate is set by RHS, and in July 2004 it was 6.25%. There is no required down payment; however, closing cost must be paid at closing. RHS must also determine repayment feasibility, using ratios of repayment (gross) income to PITI and to total family debt.

Q. What type of homes do we finance?

A. Under the Section 502 program, housing must be modest in size, design, and cost. Modest housing is generally defined as housing costing less than the HUD Section 203 (b) loan limits as of 2004. Houses constructed, purchased, or rehabilitated must meet the national model building code adopted by the state and RHS thermal and site standards.

Q. Who approve housing loans?

A. Rural Development officials have the authority to approve most Section 502 loan requests. Decisions on complete applications are generally made within 30 days of the Rural Development office's receipt of the application.

Q. What forms might I complete to apply for a loan?

A. Complete RD Form 410-4, Uniform Residential Loan Application and 3550-1, Authorization to Release Information, which can be obtained from the local FEMA center, Rural Development office or website at www.usda.gov.

Q. Where do I go to file an application?

A. Visit your local FEMA center or your nearest RD local office. Duration of disaster assistance shall be available three years after a natural disaster has been declared by the President.

Q. What is a Section 504 Loan?

A. It is a program to provide loans to very low income homeowners to repair improve or modernize their dwelling or to remove health and safety standards.

Q. What are our eligibility requirements?

A. Applicants must have very low incomes and be unable to get credit elsewhere.

Q. What is the maximum loan amount?

A. It is \$20,000.

Q. How much supplemental funding are we expecting for the Section 504 loan program?

A. Currently, \$10 million dollars in Section 504 natural disaster loan funds is available.

Q. What is a Section 504 Grant?

A. Grants are provided to very low income homeowners to repair, improve or modernize their dwelling or to remove health and safety hazards.

Q. What are out eligibility requirements?

A. Applicants must have very low income and be 62 years or older. Applicants must be unable to repay a 504 loan. A Single Family Housing 504 loan and grant may be combined.

Q. What is the maximum grant amount?

A. It is \$7,500.

Q. How much supplemental funding are we expecting for the Section 504 grant program?

A. Currently, less than \$500,000 is available now. However, an additional 1 million dollars in Section 504 natural disaster grant funds will be available from FY 05 appropriation.

LOAN SERVICING

USDA, Rural Development will make every effort to help our existing borrowers who are victims of the disaster to recover from financial hardships after the devastation. Loan servicing options are available to help families who experience financial problems after the disaster.

Our borrowers should request loan servicing assistance by contacting the Centralize Servicing Center at:

USDA, Rural Development
Centralize Servicing Center
Attn.: Borrower Assistance Branch Special Assistance Section
Post office Box 66889 St. Louis, MO 63166
Phone: (800) 414-1226
TDD: (800) 438-1832

Q. What are we doing to assist USDA, Rural Development existing borrowers affected by the most recent natural disaster borrowers who become unemployed, incur medical expenses or experience a reduction of household income due to situations beyond their control?

A. Rural Development is currently providing assistance in the form Assistance in the form of payment assistance, moratorium, delinquency workout agreement and/or re-amortization agreement based on eligibility determinations.

Explanation of the various serving options below:

Delinquency Workout Agreement

A Delinquency Workout Agreements (DWA) permits borrowers to stop liquidation action by agreeing to pay, in addition to the scheduled payment, an extra amount that will bring the account current in the shortest time possible, not to exceed two years.

Payment Assistance

Payment assistance is a subsidy granted by the Agency to enhance the borrower's repayment ability and is based on household income, composition and loan amount. The subsidy is applied to a borrower's loan when the borrower makes their portion of the scheduled payment.

Moratorium

A moratorium "stops the clock" on payments from 180 days to two years to enable the borrower to recover from losses of income or unexpected expenses. A moratorium is intended to help a borrower who is experiencing temporary financial difficulties, due to circumstances beyond the borrower's control, avoid foreclosure.

Re-amortization Agreement

A Re-amortization Agreement is rescheduling loan payments to determine a new monthly payment amount. If needed following a moratorium or to resolve account delinquency caused circumstance beyond our borrower control like a natural disaster.

Protective Advance

Protective advances are funds advanced by the Agency for fees and services that are needed to protect the Government's interest in the security property and are usually considered when repairs cannot be financed through a subsequent loan to the borrower.

What assistance can be provided to a borrower with an uninsured loss?

Assistance may include moratorium, protective advance, or subsequent loan or grant for repairs, based on an eligibility determination.



Rural Business and Cooperative

Q. What assistance is available for existing Business & Industry loan guarantee borrowers?

A. Loan servicing assistance is handled through your lender and all requests should be directed to your bank who will then work with us.

Q. What programs will be available for financial assistance to businesses impacted by the disasters?

A. Rural Business Programs will be available to rural areas impacted by the storms during the normal funding cycles and/or when the FY 2005 budget is passed by congress. The amount of funding to be available is not known at this time. The Rural Business Enterprise Grants and Business & Industry Loan Guarantee programs are the only ones with funds that will be allocated to the state. See the program matrix for information on each program.

Q. Will there be direct loan or grant funding for businesses?

A. With the exception of the Business & Industry Loan Guarantees, there are no loans or grants available directly to businesses. The Rural Business loan and grant programs are available to public bodies and non-profit organizations to facilitate business development. See the program matrix for more information.

Q. If a business is interested in applying for a guaranteed loan, who should they contact?

A. Questions can be directed to the state office or area office serving your location. Applications are filed through a bank or eligible lender.

Q. What else is available for rural businesses?

A. The Small Business Administration has disaster assistance loans available. The State may have loans as well and FEMA provides some short term assistance. Questions and inquiries should be directed to any Disaster Assistance Center.

Appendix b. Catalog of Programs

(see our Home Page to download <http://www.rurdev.usda.gov/fil/>)

